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                   IN THE UNITED STATES DISTRICT COURT
                    FOR THE WESTERN DISTRICT OF TEXAS
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                              WACO DIVISION
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    WSOU INVESTMENTS LLC
                                         June 1, 2021
    VS.
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                                   * CIVIL ACTION NO.W-20-CV-903
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    JUNIPER NETWORKS, INC.
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                  BEFORE THE HONORABLE ALAN D ALBRIGHT
                        MOTION HEARING (via Zoom)
 7
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before we get into the transfer factors and the arguments on the transfer factors, I thought it might be helpful, Your Honor, to give a little bit of background on the parties briefly just to provide some context for the overall motion. My client, Juniper Networks, is a networking company. They make devices such as routers and switches. company that is based in Sunnyvale, California which is in the Northern District of California just outside of San Jose. Juniper has been doing business for over two decades and has been centered in the Northern District of California and in Sunnyvale and has grown to be a fairly large company. Presently there are approximately 2,800 -- 2,800 employees in the Sunnyvale office. Juniper also has some additional offices throughout the world. Two of the larger ones are in Bangalore, India. And also there's one in New Jersey. Juniper really hasn't had a real presence in Texas at all over the past two decades. In 2019 Juniper did acquire a small company that makes WiFi products that really have nothing to do with this case. And that company was based in Austin. It's a company called Mist Systems. And so there was a small office in Austin, you know, less than I think 40 employees, maybe around 20 employees. And they did nothing relating to this case or the accused products in this case. And Juniper's actually closed that office. So now Juniper has no offices

whatsoever in the Western District of Texas. That happened a

couple of months ago.

So, you know, if this case were brought today, it would be very difficult for WSOU to even establish venue over Juniper in the Western District of Texas. But I say that just so Your Honor has context as to Juniper's presence in the Western District of Texas. It's something that just hasn't been there in the past, and there was a brief period of time where Juniper had this other company, but now Juniper is largely out of the Western District of Texas.

You know, and that's in sharp contrast to many other tech companies that you take, Dell, HP, you know, Apple, those kind of companies. They have very large presences in Austin. But Juniper's not one of those types of companies. So that's some background on Juniper.

WSOU, I'd like to just briefly give you a little bit of background of what we've learned about WSOU. So WSOU is a relatively new company. They purchased a large number of patents, many of them from Alcatel Lucent. And this occurred over the past few years. And WSOU was incorporated in Delaware in May of 2019. So, again, they're a -- I guess two years old now.

A few months after they were incorporated in Delaware, they were registered to do business -- or they registered to do business in Texas, and in Waco in particular is where they set up an office. And this is an office that's -- I think it's

very close to Your Honor's courthouse in Waco. It's a couple blocks away, I've heard. I haven't been there.

But there's really not much activity at the office at all. That's what we've learned through discovery. And you might remember a few weeks ago we brought an issue to you relating to the discovery, jurisdictional discovery, and a deposition we took, a 30(b)(6) deposition of WSOU.

And what we learned in that deposition is WSOU only had four employees at the time this lawsuit was filed back in September of 2020. The two primary employees are the founder and chairman, Craig Etchegoyen, and their president, Stuart Shanus. Both Mr. Etchegoyen and Mr. Shanus live in Los Angeles, California. They don't live in Waco. They don't work in Waco. In fact, they've never even been to the Waco office.

And these are the two individuals that are, I think, managing these lawsuits and engaged in the licensing efforts of the company. And so we learned all of this, you know, during the deposition a few weeks ago.

There is one employee, Mr. Hogan. That's who we deposed. He recently moved to Waco and he does some business out of that office, but it's not particularly relevant or related to these particular patents in this case. And it's not even clear that he's even really engaged in licensing or anything like that. He's focused on other endeavors relating to the patents and their business.

So, you know, I give you this as a little bit of background just to show you the types of connections the two companies have with, you know, the Western District of Texas versus California.

So with that background, I'd like to get into the actual factors that we need to examine to determine whether a motion to transfer's appropriate or not in this case.

And Your Honor's very familiar with the eight different factors. There's four private factors, four public factors. Based on the briefing, I think at this point only five of the eight transfer factors are in dispute. So those are the five that I would like to just briefly focus on.

So the first factor is one of the private factors, and that's the ease of access to sources of proof. And, you know, under Federal Circuit law, the Genentech case, for example, the Federal Circuit has made clear that, you know, the bulk of the relevant evidence in a patent case usually comes from the accused infringer.

And that's very true of this case. In this case, the bulk of the relevant evidence will come from Juniper. And the source of that evidence is Sunnyvale, California, where Juniper's been for over two decades. You'll find technical documents there. You'll find source code relating to the accused products there. That's where the vast majority of Juniper's relevant documentation was created and where it's

1 housed and stored.

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Juniper has no technical documents or source code in Texas.

And, furthermore, the Juniper employees that were in Texas generally don't have access to the source code or the technical documents that are relevant to this infringement action.

They're given to Juniper employees on a need-to-know basis, kind of a permission-type basis. Just because you're an employee of the company doesn't mean you have access to all the documentation. And that's certainly true here, where the employees in Texas did not have access to the relevant documentation in this case.

And, again, that's because they were acquired primarily from a smaller company that made completely different products that are at issue in this case.

Now, in sharp contrast to that, WSOU really doesn't have any documentation in Texas. What we learned during the deposition of Mr. Hogan is, in their office in Waco, they had four boxes of documents, like banker's boxes.

So we asked when those documents were actually delivered to the Waco office, and he told us in October of 2020. He told us he believed that they were delivered there in October of 2020 at the direction of Mr. Shanus, who is the -- again, the president of WSOU. And so apparently they now have, as of October 2020, four boxes of documents sitting there.

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Now, those are not even relevant to the transfer analysis because these cases were filed before then. So those documents weren't there before then.

And then the only other documentation WSOU has pointed to is some documents, which are some unspecified documents, in a file cabinet in the Waco office.

So I would submit, Your Honor, that if you put on one side of the scale on this factor WSOU's documents, these four boxes, which really shouldn't even be considered, but even if we were going to consider those, and you put on the other side of the scale Juniper's documentation in Sunnyvale, there's really no comparison. So this factor, we would respectfully submit, strongly favors transfer in this case.

The next private-interest factor that's in dispute is the availability of compulsory process. And I believe -- just to cut to the chase here, I believe that this factor actually favors transfer or is, at a minimum, neutral in this situation. And one of the key points to keep in mind in this particular case is that -- and I believe this comes from an opinion that Your Honor wrote earlier this year, and that's basically when no party has alleged or shown that any witnesses are unwilling witnesses, a Court should not attach much weight to this factor.

And I think that's the case here. Neither party has identified any unwilling witnesses at this point. So, you

know, given that, it's likely that this factor should be neutral.

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What Juniper has identified though are four prior art witnesses in the Northern District of California that we believe would be trial witnesses in this case. And those are witnesses from the companies Futurewei, Newisys, IBM and LinkedIn.

The only thing that Brazos has identified on the other side are two inventors that are in Texas. They're not within 100 miles of the courthouse, but they're in Texas. And Brazos has argued that under Rule 45 they could be compelled to testify at trial, because they're willing to pay their expenses.

And, you know, even if that were the case, they haven't, you know, claimed that these witnesses are unwilling. And these are only two inventors on one of the six patents that's been asserted in this case, or that's currently at issue in this case. So, you know, if you look at those two witnesses versus the prior art witnesses in California, they sort of cancel each other out a little bit, I would submit to you.

One point that I would want to note, though, too, is that the two most relevant witnesses from WSOU, Mr. Etchegoyen, the founder, and Mr. Shanus, the president. Those two witnesses are located and reside in California, not Texas. And because they are both officers of WSOU, they are subject under Rule 45

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to the subpoena power of the Northern District of California, because they reside in California. And that's under Rule 45(c). Those two witnesses are not subject to the subpoena power of Your Honor's Court in Texas. And I would submit to you that, you know, given that if we were setting aside the issue of unwilling witnesses, that would definitely tip this factor in favor of Juniper. Because, you know, it's possible that Mr. Etchegoyen or Mr. Shanus would decide not to come to trial. Maybe something didn't go well during their deposition or something like that and they decide not to come to trial. We could not compel them to come to trial if we were in the Western District of Texas. And these are the two most relevant witnesses at WSOU. So in short, on this compulsory process factor, I would submit, Your Honor, that this factor favors transfer or at a minimum is neutral. The next private-interest factor that's in dispute is the cost of attendance for willing witnesses and the convenience of the witnesses. And I would submit that this factor strongly favors transfer. And as Your Honor's aware, the Federal

the witnesses. And I would submit that this factor strongly favors transfer. And as Your Honor's aware, the Federal Circuit has stated in cases like Genentech that the convenience of the witnesses is probably the single most important factor

And in this case we have a substantial number of witnesses in the Northern District of California. Again, Juniper is

in the transfer analysis. So this is a very important factor.

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    centered there, 2,800 employees total. They've been there for
    two decades. That's where the key witnesses are -- or a
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    significant number of the key witnesses are relating to the
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    accused products, you know, the sales of the accused products,
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    the marketing of the accused products. All the -- all the
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    different aspects of a patent infringement case. They're all
    in the Northern District of California -- or a substantial
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    number of them are in the Northern District of California.
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         THE COURT: Could you hold on just for one second?
         MR. BRIGGS: Yes.
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         THE COURT: Just give me one second.
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         (Pause in proceedings.)
         THE COURT: Okay. Can you all hear me?
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         You can continue. Thank you.
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         MR. BRIGGS: Okay. Thank you, Your Honor.
         So again, I was talking about the convenience of the
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    witness factor and explaining how Juniper's witnesses, the vast
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    majority of them, are in the Northern District of California.
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         And we've identified in our papers specific witnesses,
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    sales and marketing witnesses, two specific witnesses, their
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    licensing, and then various engineers who are in the Northern
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    District of California who have the relevant knowledge relating
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    to the accused aspects of the accused products for the various
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    patents in this case.
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         And again --
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         THE COURT: Are you anticipating that they would testify
    at trial?
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                     Absolutely. Absolutely.
         MR. BRIGGS:
                     I haven't had a single person in any of the
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         THE COURT:
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    patent trials I've had where that's happened.
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         MR. BRIGGS: Oh, that's interesting, Your Honor. The very
    last trial I had, we had the actual engineer that -- well, it
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    was on the other side but the actual engineer that created the
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    accused functionality testified at trial.
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         THE COURT: Well, we had that in Roku, except that he'd
    moved to Arkansas. And he was --
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         MR. BRIGGS: Oh.
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         THE COURT: -- actually closer --
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         MR. BRIGGS: Oh. I mean, that can depend on time
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    constraints. Because if you're subject to, you know, critical
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    time constraints, you may only have time to put your expert on;
    but sometimes in defense, you want to have the jury see the
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    individuals who created the accused product and explain how it
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    works rather than the expert. The testimony can be short, but
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    it can be powerful.
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         THE COURT: Okay.
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         MR. BRIGGS: So again, Juniper has lots of witnesses that
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    could potentially testify at trial in the Northern District of
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                 They have nobody in the Western District of Texas.
    California.
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         Now, WSOU, the best -- as best as we can tell, there's
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1 really nobody in Texas from WSOU that would testify at trial. The only person that's a possibility is Mr. Hogan, and we took 2 3 his deposition. And again, he really didn't have any relevant knowledge about the patents. He doesn't deal in licensing. 4 think it's highly, highly unlikely that he would testify at 5 6 trial. 7 The two individuals that are much more likely that are 8 involved in licensing of the patents and the ones that were 9 involved in purchasing the patents and so on and so forth are Mr. Etchegoyen and Mr. Shanus who, again, they live in Los 10 Angeles, California. So they'd still have to travel to the 11 Northern District, of course, but it's closer. 12 13 So at the end of the day on this factor, you really -- on one end of the scale you really have nobody in Texas except 14 15 Mr. Hogan. And, again, I don't really see how Mr. Hogan would 16 be a potential trial witness. And on the other end of the scale you have many different 17 18 Juniper employees and potentially Mr. Etchegoyen and 19 Mr. Shanus. So I would say that this cost of attending --20 attendance for willing witnesses strongly favors transfer. 21 So those are the three private interest factors 22 that are disputed. And I'd like to move on now to the two 23 public-interest factors that are disputed. 24 And the first one is the Court congestion factor. And as 25 Your Honor's very aware, this is the factor that looks at the

Court congestion in the Northern District versus the Court congestion in Your Honor's Court and compares the two.

And I think what's helpful here is to look at Your Honor's recent order from the TikTok case. This order came out on May 21st, 2021. And in that order Your Honor found that this factor was neutral. And I think that that is, you know -- I think Your Honor should follow your analysis in TikTok. That was also a case that was being transferred from the Western District of Texas to the Northern District of California. And it is -- I guess that's less than two weeks ago. So, you know, based on that, I think that in this case the same exact analysis would apply. I don't know why it wouldn't apply.

I also think that, you know, the Federal Circuit gave some guidance on this factor late last year in the in re Apple case where they reached a similar conclusion. They found that looking at, you know, the congestion in the Northern District and the Western District of Texas, that this was a neutral factor.

And it's also important to remember that this is a -- and the Federal Circuit has said this, I think in the Apple case, that this is one of those factors that's definitely on the speculative side because many things can happen between now, the early stages of a case, and trial. And I know Your Honor does your very best job to keep the trial date, but sometimes that's difficult. And so this is -- this is a factor that

tends to be on the very speculative side.

But at the end of the day, I think, you know, given Your Honor's recent opinion in TikTok, this is a neutral factor.

And then, finally, the last of the disputed factors is the local interest factor. And what this factor analyzes is the local interest in the two different venues we're comparing. So we have to look at the local interest in Texas and compare those to the local interest in the Northern District of California. And I would submit, Your Honor, that when you do that, this factor also strongly favors transfer.

The key on this factor is you have to look at the connections between a venue and the events that give rise to the suit. That's the key language, the events that give rise to the suit. And that comes out of Federal Circuit cases such as Hoffman-La Roche.

And so if you take a step back and you look at what events gave rise to this suit, it's really the creation of the accused products and the sale of the accused products. And that primarily happens out of Sunnyvale, California. It does not happen at all in Texas.

There are, of course, Juniper products sold in the Western District of Texas. But there's also Juniper products sold in every district in the United States. So that doesn't really have a significant impact on this. And I think there's also Federal Circuit case law on that.

And, you know, the fact that WSOU chose to create an office in Waco, Texas, that just does not submit -- or that does not create a local interest. The local interest is really created by the alleged infringer and where they created the accused products.

And I think that's especially true when the plaintiff sets up an office and it's done simply to try and establish some type of presence, you know, prior to filing suits against multiple companies. And I think the Federal Circuit recognized this sort of issue in the in re Zimmer Holdings case at 609 F.3d 1378, when the Federal Circuit found that transfer was warranted where the plaintiff's presence in Texas appeared to be recent, ephemeral and an artifact of litigation.

And I think that -- I think if you look at the facts in this case, especially after we took Mr. Hogan's deposition that we submitted a lot of that testimony to Your Honor with our papers, I think you'll see that this is a situation just like that.

So in sum, of the five disputed transfer factors, I think the relative ease of access of sources of proof strongly favors transfer. The availability of compulsory process favors transfer or is neutral at a minimum. The cost of attending -- attendance for willing witnesses strongly favors transfer. The Court congestion factor is neutral. And the local interest factor -- or the local interest factor strongly favors

transfer. 1 2 And so that is all I wanted to cover, Your Honor. If you 3 have any questions, I'd be happy to answer them. But, you know, given that analysis, I believe this case is a very clear 4 5 candidate for transfer. 6 THE COURT: Now I'll hear a response from WSOU. 7 MS. HARTMAN: Thank you, Your Honor. 8 Your Honor, Juniper has not met its burden to show that 9 transfer is clearly more convenient. I'm first going to discuss Brazos' ties and then Juniper's, and I'll correct the 10 11 record or respond to what counsel said along the way. Brazos is a Waco-based company, and it does have strong 12 local ties. And it has those ties since before these cases 13 were filed. 14 15 It has witnesses in Waco, including Mr. Hogan, who will be 16 called as a witness as to Brazos' business operations, and 17 Brazos does have sources of proof in Waco and managed from 18 Waco. 19 Mr. Hogan did testify that documents relating to Brazos' 20 business are stored in a filing cabinet in Waco, which is 21 different than what counsel was referring to. 22 You know, given that Brazos is a Waco-based company with 23 witnesses in Waco, this case is very different from the Federal 24 Circuit decisions that are so heavily relied on by Juniper, 25 including in re Apple and in re Adobe and in re Tracfone.

Brazos chose Waco for its headquarters because Waco was a burgeoning tech center with Baylor University as the anchor.

Brazos' founders wanted to intrench themselves in a place where there was technology being developed that could potentially be patented. Brazos is operating its business there and has been since before these cases were filed.

Simply because COVID-19 threw a wrench in travel over the past year and a half to anywhere, including to Waco, does not

make that otherwise.

In addition to showing that it has witnesses and sources
of proof in Waco, Brazos has also identified at least two

inventors who live in Texas and would be subject to the Court's

compulsory process, as they would not incur substantial expense

to come testify.

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Brazos has also identified other third-party inventors and prosecuting attorneys who are located across the globe but closer to Waco.

In addition, according to the most recent U.S. Federal
Court statistics, not relying solely on the Court's schedule,
the time to trial in this district is faster than in Northern
California. Juniper has not shown that any of the transfer
factors favor transfer, much less that it's clearly more
convenient.

Juniper actually concedes that its sources of proof are stored on servers located across the globe. This does not

1 favor transfer.
2 Juniper also does not show that any witnesses are
3 unwilling to testify, much less that any unwilling witnesses
4 are subject to the -- only the compulsory process of Northern
5 California.

It is Juniper's burden to show unwillingness. Juniper's prior art witnesses are unpersuasive for several reasons, including because Juniper does not show that any are unwilling. Three or four of them are also subject to compulsory process in this Court.

Juniper does not identify -- or I'm sorry. As to the recent argument that counsel just made as to Mr. Shanus and Mr. Etchegoyen, those are party witnesses not located in Northern California and not considered under the unwilling witness factor.

As to convenience of willing witnesses, Juniper does not identify any third-party willing witnesses, and it identifies employees with relevant knowledge but who are located across the globe.

And finally, as to the local interest factor, to respond to what counsel said, contrary to what counsel said, Juniper actually has multiple offices in Texas. I believe in Plano, Houston, and its witness testified that it does still pay the lease for the Austin office, and it definitely did and maintained that office at the time this action was filed, which

1 is not in dispute. Juniper also admits that it has at least 40 employees, 2 3 numerous resellers and distributors and a significant amount of 4 sales of accused products in this district and did so at the 5 time these actions were filed. 6 It also admits that at least some of the accused products 7 and functionality were designed and developed outside of 8 California. 9 In sum, Your Honor, many of the factors weigh against transfer and none favor it. Juniper has not satisfied its 10 11 burden to show that transfer is clearly more convenient. So 12 Brazos respectfully requests that Your Honor deny Juniper's 13 motion to transfer. 14 Thank you. 15 THE COURT: Any rebuttal to that? 16 MR. BRIGGS: Your Honor, very brief -- this is Todd 17 Briggs, again -- very briefly. 18 Much of what counsel just argued, much of the facts and 19 the arguments that were made have been found time and again to 20 be irrelevant to the transfer analysis. 21 For example, the fact that Juniper's documents can be 22 accessed, you know, from different locations around the globe, 23 you know, the Federal Circuit has looked at that issue and 2.4 said, well, that might be true, but you still need to look at

where the primary source of the documents are for that factor.

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1 And that's undeniably in Sunnyvale, California. And counsel, again, is attempting to argue that Brazos has 2 3 a very strong connection to Texas. And I think Ms. Hartman 4 actually said that they have witnesses, plural, you know, 5 potential witnesses, plural. I'm not aware of the -- anybody, 6 other than Mr. Hogan; and again, Mr. Hogan is not involved in -- I think Ms. Hartman said he would testify about business 7 8 operations. I'm not sure what that is. 9 The real heart and soul of WSOU with respect to this case 10 and any relevant testimony comes from Mr. Etchegoyen and 11 Mr. Shanus. And they are in California, they're not in Texas. 12 Again, they've never even set foot in the office in Waco since 13 it opened. And that's not because of COVID, as counsel suggested. They've been traveling. Mr. Etchegoyen travels 14 15 back and forth to Hawaii all the time. He could easily fly to 16 Texas. So, you know, their business is not really conducted out 17 of that office. It's done by Mr. Etchegoyen and Mr. Shanus in 18 19 Los Angeles. And by the way, WSOU also has an office in Los Angeles, in Santa Monica, California. So it's not like their 20 21 only office in the United States is in Waco, Texas. 22 So, again, I'm very mindful of your time, Your Honor, and 23 I think we've addressed all the points today in my initial 24 argument and in our papers. And if there are any specific 25 issues you would like me to address, I'd be happy to do so.

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         THE COURT: I'm good.
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         Anything else, Ms. Hartman?
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         MS. HARTMAN: Thank you, Your Honor.
         Just to clarify, I did not actually discuss the access of
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    Juniper's documents. I discussed that Juniper admitted that
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    its documents were stored on servers that are located across
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    the globe.
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         And I will also note that the fact that Brazos subleases a
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    small office space for Mr. Shanus to go to occasionally does
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    not -- outside of both districts, does not change Brazos'
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    connections to Waco. And I will say that Mr. Etchegoyen and
    Mr. Shanus have been to the office. It's just that during the
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    last year and a half, during COVID, travel was difficult during
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    COVID.
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         So hopefully I addressed all of those points, and thank
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    you, Your Honor.
         THE COURT: Okay. Well, we're working on this and we'll
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    get something out hopefully in the very near future.
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         Thank you, everyone, for your arguments this morning.
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         (Off-the-record discussion.)
         THE COURT: Those of you who are here for this motion to
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    transfer hearing, thank you. You all can drop off and we'll
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    take up the Markman now.
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         (Hearing adjourned at 9:40 a.m.)
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1 UNITED STATES DISTRICT COURT) 2 WESTERN DISTRICT OF TEXAS 3 I, Kristie M. Davis, Official Court Reporter for the 4 5 United States District Court, Western District of Texas, do certify that the foregoing is a correct transcript from the 6 7 record of proceedings in the above-entitled matter. 8 I certify that the transcript fees and format comply with 9 those prescribed by the Court and Judicial Conference of the 10 United States. Certified to by me this 6th day of June 2021. 11 12 /s/ Kristie M. Davis 13 KRISTIE M. DAVIS Official Court Reporter 14 800 Franklin Avenue Waco, Texas 76701 (254) 340-6114 15 kmdaviscsr@yahoo.com 16 17 18 19 20 21 22 23 24 25